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The correspondence between the Home government and the Australasian colonies in regard to the immigration of Chinese is interesting as reflecting public opinion on that question. The Australians are determined to keep out the Chinese at all hazards. For this purpose each of the colonies has passed a law imposing on each Chinese immigrant a head tax of 10 pounds sterling, and forbidding any ship captain, under heavy penalties, to bring more than one Chinaman for every 100 tons of his ship's burthen. The Chinese minister in London protested against these acts, discriminating against the Chinese among all the immigrants, as insulting to his country and in contravention of treaties between the governments of Great Britain and China. The Home government, divided between its desire to gratify the colonists and its disinclination to offend China, heard eagerly the report that a treaty had been signed between the United States and China by which the latter had voluntarily consented to the exclusion of its citizens from the United States, and begged of the colonies to refrain from violent measures for a while to see if the same object could not be obtained by way of treaty and thus the susceptible feelings of the Chinese government be spared. The whole controversy suggests the question whether it is worth while to go through all the mock heroics of diplomatic intercourse with a government whose subjects we treat as men of an inferior race and civilization.

RICHMOND MAYO SMITH.

*Report of the Committee on General Laws on the Investigation relative to Trusts.* Senate Documents, No. 50. Albany, 1888.—689 pp.

*Report of the Committee on Manufactures, House of Representatives of the United States, in relation to Trusts, etc.* Fiftieth Congress, First Session, House Report, No. 3112. Washington, 1888.—1167 pp.

*Report of the Select Committee appointed to investigate and report upon alleged Combinations in Trade, Manufactures and Insurance in Canada.* Second Session, Sixth Parliament. Ottawa, 1888.—750 pp.

Aroused to some sort of action by the newspaper agitation against alleged combinations and "trusts," many of the legislative bodies in America, at their sessions of 1888, appointed committees for the purpose of examining the internal structure of these associations and their effects upon the community; these committees having the usual powers of compelling the attendance of witnesses and their testimony upon

oath, and of sending for papers. Before us, in three large volumes, are embodied the results of the labors of three of these committees, in short reports and voluminous testimony.

The committee of the New York Senate was called into existence by a resolution passed February 16, 1888, and was in session nine days, beginning with the 20th of February. During that period it examined thirty-eight witnesses relative to the sugar, milk, rubber, envelope, elevator, oil-cloth, standard oil, butchers, glass, cotton-seed oil, and furniture combinations or trusts. The committee entered upon its work with avowed hostility to the alleged combinations it investigated and, meaning well, appointed two well-known attorneys to conduct the examination of witnesses. This was a measure to be regretted, for the efforts of the examiners seemed not so much directed towards extracting useful and pertinent information as towards convicting the organizers and members of these combinations of criminal conspiracy. Much of the very brief time of this committee was taken up by wrangles among lawyers, and the witnesses were restrained from imparting full information because of the necessity of giving categorical answers. But despite the many shortcomings, the investigation resulted in much important information. It was a means of bringing to light those ingenious legal instruments, the trust deeds or agreements, the bases of the trusts.

It will be noticed, in comparing the deeds of the sugar trust and the standard oil trust, that in the former the agreement appears to be between the corporations and partnerships, while in the latter it is expressly stated, in section 1, subdivisions 1, 2, 3, that the agreement is between the *individual* stockholders and members of certain corporations and partnerships.<sup>1</sup> This latter method seems much the better in avoiding the application of legal principles, stretched beyond a natural construction.<sup>2</sup>

Most of the combinations examined into were trade associations, organized for the purpose of preventing unlimited and destructive competition and overproduction; and all seem to tend, in structure, towards a concentration of control, as being the means most likely to accomplish this purpose. They differ in manner of formation, as the ideas of the organizers or the needs of the particular combination suggested. As to the reasons leading to their inauguration, all of the persons interested in these combinations claimed, on their examination: (1) that their business, owing to ruinous competition, was unprofitable; in fact, that it was being conducted at an annually increasing loss;

<sup>1</sup> N.Y. Senate Report, p. 455.

<sup>2</sup> *Vide* Decision by Barrett, J., in *People vs. N.R. Sugar Ref. Co.* Supreme Court N.Y. January, 1889.

(2) that the maintenance of a uniform minimum price, consistent with reasonable profits, was absolutely necessary; (3) that this could be accomplished only by means of binding agreements not to undersell or produce above the market demand; (4) that the best agreements were in the nature of associations, as in the milk exchange, *etc.*, and that in some instances (where *trusts* were formed), these binding agreements had to be accomplished otherwise than by executory contracts or loosely united associations, owing to peculiar conditions.

The New York Senate committee, however, in its report, sees no good whatsoever in any of these combinations and denounces in violent terms the purposes which led to their inception.

The Congressional (House) committee conducted its investigation on different lines. It examined witnesses relative only to the sugar trust and standard oil trust, and paid more attention to the effect of these combinations on trade than to the methods of formation. In the examination of witnesses as to the effect of the sugar trust upon trade, it was plainly brought out that the trust now practically fixes the prices at which both raw sugar is bought and refined sugar sold; although, were the customs duties on refined sugar removed, its control over the selling price of refined sugar would be practically *nil*.<sup>1</sup>

The major part of the labors of the House committee was directed towards the standard oil trust, and the investigation turned especially upon the unfair and unjust discrimination made by the various railway companies in its favor. The testimony concerning the attitude of railway officials towards refiners, independent of the trust, is instructive in showing their utter disregard of all the ethics of trade. The conduct of the standard oil trust towards the few independent refiners left is thoroughly investigated and does not present that combination in a very favorable light.

The combinations in trade and manufactures in Canada, as shown by the blue book, are in no instance so thorough in organization or so efficient in results as similar associations in the United States. They are all in the nature of associations fixing a minimum price, below which members are not allowed to sell, and dictating to producers as to the rate at which outsiders shall be supplied with goods, this rate often being prohibitive. Many witnesses were interrogated; and we note the fact that nearly all the witnesses hostile to these combinations had been members, and had withdrawn for the purpose of underselling them and utilizing the public feeling against them, or had been expelled or excluded for sufficient reasons.

Summing up the testimony given before these various committees, we

<sup>1</sup> Testimony of Hugh O. Camp, House Committee Report, pp. 77, 78.

may say that most, if not all, of these combinations became absolutely necessary by reason of continued and ruinous competition, pushed to such a degree that profits were impossible ; and that, while they may enhance prices to the consumer, they are not so injurious to trade as free and unrestrained competition, which is "a war of all against all and ends in the destruction of the greatest number." The consumer may benefit, for a period, by extremely low prices, long credit and other inducements offered to purchasers, but when the destructive competitive war ceases he suffers to a greater extent than he benefited before.

NORBERT HEINSHEIMER.

*The County Councillor's Guide.* Edited by HENRY HOBHOUSE, M.P., and E. L. FANSHAWE, Barristers at Law. London, W. Maxwell & Son, 1888.—xxx, 294 pp.

*The County Council Compendium.* By HENRY STEPHEN, Barrister at Law, and HORACE E. MILLER, LL.B., Barrister at Law. London, Waterlow & Sons, Limited, 1888.—xxiii, 414 pp.

*The Councillor's Handbook.* By NICHOLAS HERBERT and A. F. JENKIN, B.A., Barrister at Law. London, Hadden, Best & Co., 1888.—435 pp.

One of the immediate effects of the Local Government act of last year (which was commented upon in the POLITICAL SCIENCE QUARTERLY for June, 1888) has been the publication of a great number of commentaries on this most important law. The purpose of these commentaries is, in the main, to explain the duties of the new authorities created by the act and to give the text as well of the Local Government act itself as of various other statutes which modify or develop its details. Of these publications the books above cited are the most important. Though all of them have the same purpose in view, they differ in the manner of presenting the subject. Each has points of excellence which are not to be found in the others.

The *Guide* contents itself, in the main, with printing the text of the Local Government act, with a running commentary upon it, containing, in addition to the necessary explanations, references to the various statutes which modify or carry out its provisions. In addition to the text of the Local Government act are to be found also the text of the County Electors act, and important sections of the Municipal Corporations act of 1882 and the Public Health act of 1875—all of them statutes having great influence on the local government system, and all treated in the same way as the Local Government act. This method of